NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision

### PAID UP OIL AND GAS LEASE (No Surface Use)

IIS LEASE AGREEMENT is made this 16th day of June 2008, by and between Edith Stanfield, whose address is P.O. Box 121516, Fort Worth, Texas, 76121 as and FOUR SEVENS ENERGY CO., LLC, 201 Mein Street, Suite 1455, Fort Worth, Texas 76102, as Lessee. All printed portions of this lease were prepared by the ereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described

#### SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART OF

in the county of TARRANT, State of TEXAS, containing .410 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes belium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less

For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbous separated at Lessee's separator facilities, the royalty shall be Twenty-live Percent (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor as credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price for production of similar grade and gravity; (b) for gas (including cassinghead) as an all other substances covered hereby, the royalty shall be Twenty-live Percent (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field, then in the nearest field in which there is such as prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands poo

Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or he nucceeded by another institution, or for any reason fail or referive payments.

5. Except a provided for in Paragraph 3, above, if Lessee strills a well which is incapable of producing in paying quantities (hereimafter called "dry hole") on the lessed premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it is shall nevertheless remain in force if Lessee commones operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If it the end of the primary term, or a lany time thereafter, this lesse is not otherwise being maintained in force to lessee in the engage of such operations are producted with no creation of more than 90 consecutive days, and if any such operations result in the production of such operations mer prosecuted with no creation of more than 90 consecutive days, and if any such operations result in the production of uses of their substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well expable of producing in paying quantities or similar circumstances to (a) develop the leased premises from uncompensated drainage by well or well broadening in paying quantities on the leased premises or lands produced therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises from uncompensated drainage by well or wel

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises bears to the full mineral estate in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to enter decodent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder. Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder in the depository designated above. If at any time to o

is lease, the obligation to pay or tender shui-in royalities bereauder shall be divided between Lesses and the transferree in proportion to the net acreage interest in this lease, then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shul-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby, on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, prijedines, tanks, userwwells, disposal wells, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, prijedines, tanks, userwells, disposal wells, including but not limited to geophysical operations, the of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the neaded premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the produce of lands pooled therewith with a premise of lands pooled therewith with a premise of lands produced therewith. When

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the hreach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee, fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mottgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee, has been furnished satisfactory evidence that such claim has been resolved.

16. Lessor, and their successors

17. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, honus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

SPECIAL PROVISIONS: SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART OF

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR:

Signature: Collet St. J. J.

#### STATE OF TEXAS

By Clerk (or Deputy)

TATE OF TEXAS}	ACKNOWLE	EDGEMENT)	
COUNTY OF TARRANT			
This instrument was acknowledged before me on the 18 PAN 2 JOHNSON RYAN 2 SON OF VEYES	day of Jun	Notary Public, State of Texas	as Lessor.
Notar ublic, State of Texas My Commission Expires April 04, 2012		Notary's name (printed): Ryan Johns  Notary's commission expires: 4/4/12	~
RYAN P. JOHNSON STA RYAN P. JOHNSON Notary Public, State of Texa My Cornmission Expires COURT HAM HANT) April 04, 2012	IS ACKNOWLE	EDGEMENT}	
This instrument was acknowledged before me on the	day of	, 20, by	as t.essor.
		Notary Public, State of Texas	
		Notary's name (printed):	
		Notary's commission expires:	
			***************************************
	RECORDING INF	CORMATION	
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ounty of			

#### Exhibit "A"

Attached to and made a part of that certain Paid-Up Oil and Gas Lease (No Surface Use) dated the 16th day of June, 2008, by and between Edith Stanfield, as Lessor, and FOUR SEVENS ENERGY CO., as Lessee.

.410 acres of land, more or less, out of the H. Covington Survey, A-256, Tarrant County, Texas. Further described as:

THE SOUTH 100 FEET OF LOT 11, IN BLOCK 4, OF BANKHEAD ESTATES, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 388-A, PAGE 121, PLAT RECORDS, TARRANT COUNTY, TEXAS.

Commonly known as 3616 Reagan Drive, Fort Worth, Texas, 76116.

#### EXHIBIT "B"

Attached to and made a part of that certain Paid-Up Oil and Gas Lease (No Surface Use) dated the 16th day of June, 2008, by and between Edith Stanfield, as Lessor, and FOUR SEVENS ENERGY CO., as Lessee.

\* \* \* \* \* \*

- 18. No Warranty of Title: This Lease is given subject to all mineral reservations of record. This Lease is given without any warranty of title whatsoever. Lessee is relying upon its own title search.
- 19. <u>Boyally:</u> It is agreed and understood that Lessor's royalty Interest will never be charged with any part of Lessee's direct cost of producing, storing, separating, dehydrating, compressing, transporting (excluding common carrier tarffs it the sales price is a market value price at a delivery point significantly removed from the wellhead.) It is agreed between the Lessor and Lessee, that, notwithstanding any language to the contrary, at ioi, gas or other proceeds accruing to the Lessor under this lesse or by state lew shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the off, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of productions to long as they are based Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.
- 20. <u>Limited to Hydrocarbons:</u> It is also expressly understood that this lease covers only Oil, Gas and other hydrocarbon substances, including sulfur produced in conjunction therewith, in and under the above described property, and that accordingly all other associated substances and minerals are excepted from the terms and provisions of this lease and reserved to Lessor.
- 21. <u>Vertical Severance:</u> After the expiration of the primary term of this lease, or after cessation of continuous development as provided herein, whichever occurs last, this lease shall terminate as to all depths lying below 100 feet below the stratigraphic equivalent of the deepest depth for which production casing has been set by Lessee on the above described premises or upon land with which these lands may be pooled for production.
- 22. <u>Horizontal Severance:</u> At the expiration of the Primary Term, all acres of land not then included in a producing proration until consisting of land approved for said well by the State of Texas Railroad Commission or other governmental regulatory body or competent jurisdiction, shall be released by Lesses and a release filed of record in the county where the property is located and a copy furnished to Lesson.
- 23. <u>Hold Harmless</u>; Lessee shall Indemnify and hold Lessor harmless from and against any and all claims, actions, liability, loss, damage or expense of every kind and nature, including, but not limited to reasonable attorney's lees and costs, for damage to property including environmental damage to surface properties and underground water of any person, limit or corporation or for tripty to or death of any person, including, but not limited to, the employees of Lessee, its successors, assigns, contractors or subcontractors, which may, in whole or in part, be caused by or arise out of operations conducted hereunder or the enjoyment of this lease or the exercise of any right granted hereunder or any obligation imposed hereby.
- 24. Shut-in Rovalty Clause Limitation: Notwithstanding any provision contained herein to the contrary, after the end of the Primary Term, this lease may not be maintained solely by reason of the shut-in royalty payments, as provided heretofore, for any one shut-in period of more than two (2) years
- 25. <u>Royalty Que:</u> Accounting and payment to Lessor of royalties from the production of oil and gas herein provided shall commence no later than One Hundred Twenty (120) days after the date of first production as pursuant to Section 91.402; Subchapter J. "Payment for Proceeds of Sale" of Texas Natural Resource Code, Oil and Gas. First production for a gas well shall be defined as the date of sale of gas and for an oil well the date oil is first produced, other than for lesting purposes. Thereafter unless otherwise specifically provided herein, all accountings and payments of royalties shall be made on or before the last day of the second calendar month following the calendar month in which the production occurred. Unless otherwise herein expressly provided, any royalties or other payments provided for in this lesses which are suspended or not paid to Lessor within the time period specified therefore shall accrue interest at the rate of twelve percent (12%) per annum, from the due date until paid. Acceptance by Lessor, its successors, agents or assigns of royalties which are past due shall not act as a waiver or estoppel of its right to receive or recover any and all interest due thereon under the provisions hereof, unless the written acceptance or acknowledgement by Lessor to Lessee expressly so provides. Any tender or payment to payment our less than the total amount due to Lessor hereunder which is made or intended to be made as an offer of settlement or accord by or on behall at Lessee, its agents, successors or assigns, must be accompanied by a Notice.
- 26. Addendun Provision Govern: The foregoing Addendum and the provisions of the Addendum shall supersede and govern the provisions of the lease, wherever those provisions are in conflict with the Addendum. This lease, Including the Addendum, shall inure to the benefit of, and be binding upon the parties hereto and other respective heirs, representatives, successors and assigns.



#### CHESAPEAKE ENERGY CORP 301 COMMERCE ST STE 600

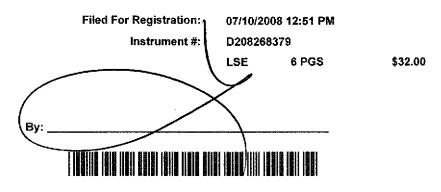
FT WORTH

TX 76102

**Submitter: CHESAPEAKE ENERGY CORPORATION** 

# SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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